



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

DNR Lacey Compound Property
February 19, 2004 Pre -Auction Meeting

Q. & A.

A public auction of the State Department of Natural Resources (DNR) Compound property will be held at 10:00 a.m., March 30th in the Natural Resources Building, room 175 in Olympia. The following are answers to questions from the pre-auction meeting February 19, 2004.

Environmental Assessment

Q: What is the status of storage tanks on the property, and were any decommissioned in place?

A: **All underground storage tanks onsite were removed by a certified decommissioning contractor. All tank sites were successfully remediated, as reported in the July 1991 decommissioning report, which is available for review. DNR knows of only one underground fuel storage tank left in-place – in the basement of building B-4 (Fabrication Shop). There is one existing aboveground tank that stores waste motor oil. The oil will be removed and the tank properly cleaned before DNR vacates the site.**

Q: Did soil treatment area get a Non Further Action (NFA)?

A: **The “Old Gashouse” building and “Wood Preserving Dip Tank” facility did receive NFAs from the Dept of Ecology.**

Q: Do you have any No Further Actions on the site, and if so, is it current?

A: **DNR has NFAs on the sites mentioned above.**

Q: Are there any plumes, and has ground testing of water been performed?

A: **No groundwater monitoring has been conducted onsite, nor has any been required by Ecology. Please refer to environmental assessment available on DNR’s website: www.dnr.wa.gov.**

Q: What are legal issues (hold harmless) regarding possible contamination of property?

A: **Bidders will need to seek independent legal advice regarding this matter.**

Q: Is an Underground Storage Report available?

A: **Yes. Actually, there are four reports available for review: a 1991 Underground Storage Tank Decommission Report; a 1999 Independent Remedial Action Report; a 2000 Subsurface Environmental Investigation Report; and an Independent Remedial Action Report for the “Old Gashouse.” For an appointment to review the documents, contact Judy Wilson at 360-902-1006 or judy.wilson@wadnr.gov.**

Q: Are any sites on this parcel on the State Department of Ecology’s Contaminated Site List?

- A: There was one on the list, and DNR cleaned it up and received a No Further Action determination from Ecology. Ecology has pulled the files and is in the process of de-listing the site.**
- Q: Are there asbestos and lead based paint reports, and if so, might they be reviewed?**
- A: There is no lead paint report. DNR has a database with the analytical results of painted surfaces sampled at the Compound. DNR has an asbestos survey report by Tetra Tech. Based on that report, an asbestos removal project followed. These are available for review upon request.**

General Questions

- Q: How did DNR determine the minimum bid?**
- A: DNR's chief appraiser used two independent appraisals to determine the minimum bid. The minimum bid was adjusted downward due to the affect of a lease reservation: DNR will occupy its current site through the end of 2004. The purchaser takes possession January 1, 2005.**
- Q: How does the DNR lease agreement with the State Department of Transportation figure into the minimum bid valuation?**
- A: The DOT lease will be amended to a month to month lease AS OF June 30, 2004 and pay rent of \$4,260 per month. This lease will be assigned to the successful bidder at closing. Any rent income will be prorated as of closing.**
- Q: Where will auction be held?**
- A: The Public Auction of the Compound Property will be held at 10:00 a.m., March 30th in the Natural Resources Building, room 175 in Olympia, Washington. For directions please check the website: www.dnr.wa.gov**
- Q: How far along are you on the purchase of your new site and where are you moving?**
- A: Currently, the plan is for DNR to move the Compound operations to a site south of the Olympia Airport in Thurston County. Negotiations are being made for the site.**
- Q: What is the timeline for DNR's new compound?**
- A: DNR's timeline for the new site:**
- **September 2004** **Site work begins**
 - **December 2004** **Existing operations move to temporary quarters**
 - **January 2005** **Building Construction begins**
 - **December 2005** **Move to new site**

The auction

- Q: How long will DNR stay at the property?**
- A: DNR's planned date to vacate the Compound is December 31, 2004. However, other arrangements might be made with purchaser.**
- Q: Is there a full-scale plan of the Compound property available in AutoCAD?**
- A: Yes. It can be downloaded from the DNR's Compound website at www.dnr.wa.gov .**
- Q: Is there a survey available?**

A: Not an America Land Title Association (A.L.T.A.) survey, but a survey sketch is posted on DNR's website.

Q: What are the access points to the property?

A: There are two access points, one on Marvin Road with a turn lane and a turn signal, and one on Martin Way with a center turn lane.

Q: Can the trees on the site be cut by the purchaser?

A: Decisions such as this are generally made during site plan review with the City. The purchaser will address tree retention or removal with the City of Lacey.

Q: Are there any City of Lacey or LOTT assessment dues?

A: No

Q: Has DNR talked with the City of Lacey and LOTT about sewer capacity?

A: No

Q: What is the status of sewer or septic system?

A: The site is currently on septic. There is sanitary sewer available to the site. A fifteen-inch sanitary sewer runs the entire frontage of Marvin Road, and an 8-inch main runs from the southwest corner of the property 250 feet to a manhole. From the manhole the line runs south across Martin Way. There are two 8-inch stubs.

Q: Where is sewer hook-up?

A: There are three sanitary sewer manholes along the frontage of Marvin Road, one at the site's main entrance, one about 400 feet south of the entrance, and one about 400 feet north of the entrance. There is one sanitary sewer manhole on the Martin Way frontage, about 250 feet north of the southwest corner of the property.

Q: Are any of the existing buildings on the historic register?

A: The Compound property, also known as the State Forestry Headquarters, is on the Thurston County and the City of Lacey cultural resource inventories. In the opinion of Shanna Stevenson, Thurston County Preservation Planner, the property is eligible to the National Register of Historic Places. However, it has not been formally evaluated.

Memorandum of Auction for the Compound

Q: What are the reservations associated with the real estate agreement?

A: This sale is subject to the reservation of oils, gases, and minerals as required in RCW 79.11.210 and to a lease reservation to DNR until December 31, 2004. Refer to "Memorandum of Auction for the Compound" – Option of Property 1.3 and 1.4.

Q: What does a "mineral reservation" mean to a purchaser?

A: Bidders must seek independent legal advice regarding this matter.

Q: Can the lease agreement with the successful bidder and DNR be negotiated?

A: The lease reservation is set and cannot be modified absent mutual agreement and new consideration. Upon acquisition of the property, the new owner would be free to negotiate with DNR an extension of the lease reservation or a new lease of the property should DNR wish to stay longer than December 31, 2004.

Q: How will DNR qualify buyers?

A: **The apparent successful bidder will be considered qualified by the ability to perform and make the required payments on time, \$50,000 at the auction, and \$250,000 in earnest money.**

Q: Is the \$250,000 Earnest Deposit refundable?

A: **Bidders must refer to the terms of the “Memorandum of Auction” and seek independent legal advice regarding this matter.**

Q: Is the option assignable?

A: **With the consent of DNR, as provided in the “Memorandum of Auction.”**

Q: If the successful bidder doesn't move forward to purchase the parcel, what happens?

A: **If the successful bidder does not exercise the option by the expiration of the option period, DNR may place the property up for auction as provided by law. The option is not assignable unless DNR approves.**

Q: Can the successful bidder renegotiate payment terms?

A: **The material terms of the “Memorandum of Auction” are set.**